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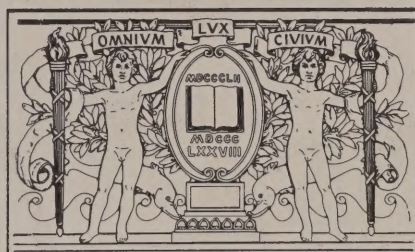
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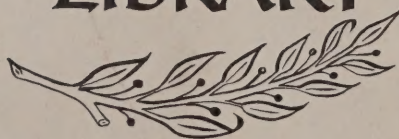
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CITY OF BOSTON

1975

Kevin H. White, Mayor
City of Boston

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CITY OF BOSTON

GOVERNMENT

Boston, the capital city of the Commonwealth of Massachusetts, was founded in the year 1630 and incorporated by act of the Legislature of Massachusetts on February 23, 1822. The municipal government of Boston is administered by a Mayor, a City Council of nine members, and a School Committee of five members. The Mayor is elected for a four-year term, and City Council and School Committee members are elected at large for terms of two years. Mayor Kevin H. White is in his second term.

ECONOMY

In the past decade the City of Boston has emerged as an expanding, high-grade service-activity economy with growth in jobs and income generation. Since 1965 Boston has gained 60,000 jobs in service activities, encompassing finance, insurance, medical service, higher education, business services, engineering and legal services, and recreation and tourism - more than offsetting losses in manufacturing, wholesale trade, and the closing of the Boston Navy Yard. The U.S. Department of Labor reported a 1975 unemployment rate of 9 percent for Boston, placing it in the middle range of that for the Nation's thirty largest cities, and less than that of New York City. As of 1975, Boston had 535,000 employed workers, and a production of goods and services totaling \$13.5 billion, the latter reflecting a growth of one-third in the past ten years, measured in dollars of constant value at 1975 prices.

Boston's broad-based services activities employ 315,000 workers and make up a larger share of the City's total employment than is the case for the Nation's thirty largest cities, better attuning the City's economy to those activities that are growing most rapidly nationally.

Boston is a major supplier of financial resources to the nation's economy. Boston's money managers - banks, insurance companies, mutual fund management companies, and investment advisers - handle over \$80 billion of other people's money, and the fees they earn exceed \$200 million. More than a third of the Nation's mutual fund industry resources are directed from here.

Sixty major insurance companies, thirty national banks with one hundred and fifteen offices, thirty-seven trust companies with ninety-eight branches, one hundred and thirty savings institutions, and over one hundred cooperative banks are located in the Boston area.

The city is the service center for over 2.75 million people in a metropolis of seventy-eight cities and towns. In 1975 the value of the production of goods and services in the Boston metropolitan area is estimated at \$28 billion, and the number of employed workers is 1.3 million.

POPULATION AND INCOME

Boston's population has stabilized since 1970, ending two decades of population decline. Growth centered principally in the young adult age group, twenty-five to thirty-four years old, responding to the gain in jobs, upgrading of the city's public facilities, construction of new housing and rehabilitation of the old, and demonstrating a preference for city living. Population in 1975 is estimated at 650,000, in comparison with 641,000 in 1970.

In the 1965-75 decade, Boston's per capita personal income rose by 42 percent, after adjusting for the effects of inflation.

TRANSPORTATION

Boston, the commercial and distribution center of New England, is a major national and international air terminal, the regional core for New England's rail, truck and bus services, and its leading port. Local and international traffic in the Boston metropolitan area is serviced by a well-integrated rail, highway, and air transportation system.

The Massachusetts Bay Transportation Authority, one of only seven subway systems in the United States, provides transit service to over three million residents of the Greater Boston metropolitan region.

Boston, the oldest major port in the United States, offers thirty-two berths, over five million square feet of warehouse space, and two modern container-handling facilities; a third is planned.

Logan Airport, ten minutes from downtown Boston, provides Bostonians with direct access to all points in the western hemisphere. Logan, with one of the world's longest runways - 10,022 feet - is served by thirty major domestic and international airlines. In 1974 Logan Airport handled 10.7 million passengers, and 340 million pounds of cargo - a three-fold increase in ten years.

A recently adopted metropolitan region transportation plan, based on the concept of concentrated growth in the core area of Boston, will involve an estimated \$2.4 billion of capital construction in the City of Boston over the next ten years. Planned construction of public transit facilities, streets, highways, bridges, tunnels, and airport and seaport installations will be funded largely by the State and Federal governments.

DEVELOPMENT

Boston's economic program, presented by the Mayor in July of this year, sets forth ambitious development goals for the 1975-85 decade. Designed as a sequel to the 1965-75 General Plan, the 1975-85 economic

program establishes larger goals for capital investment in new construction and equipment, public and private. While much is concentrated in the city core area, planned public and private investment will take place in all of the city's neighborhoods. The new program encompasses a downtown plan, a neighborhood development plan, a transportation program, a housing program, a public facilities plan, and a financing strategy.

Capital investment in Boston has risen from annual rates of \$800 million, in the years 1960 to 1967, to \$1.2 billion, in the period from 1968 to 1974, and an estimated \$1.5 billion in 1975, an extraordinary year for both public and private capital construction, (all measured in dollars of constant value at 1975 prices). Major development projects underway will involve some \$2.5 billion of capital construction over the next two to three years. A newly compiled survey of major development projects, public and private, underway and planned, make up a total of \$4.6 billion of capital construction over the next several years. The longer-term economic program calls for \$12 to \$15 billion of new construction over the next ten years.

The \$200 million Prudential Center, with its fifty-two story office building, retail shops, residential towers, hotel, and civic auditorium, has already revitalized Boston's Back Bay.

The Christian Science Church has built a new center and an associated residential complex as part of a \$70 million development in the historic area of the city.

The \$230 million Government Center project is virtually complete. The new, nearly completed Hancock Tower rises sixty stories. A revised waterfront plan including a Waterfront Park, new housing and the conversion of old warehouses for residential and commercial uses, is well underway.

The \$90 million South Station urban redevelopment plan, combining transportation, office, retail and recreational uses, is in the construction phase.

Construction of the \$230 million Jordan Marsh-Lafayette Place retail, office and hotel complex in the heart of Boston's downtown shopping area began earlier this year and involves as co-developer the first U.S. investment of the French-based SEFRIUS Corporation.

In October, ground was broken for the \$100 million housing and power plant project sponsored by the Medical Area Service Corporation led by Harvard University.

Office space in Boston has virtually doubled in the past fifteen years, rising from 18 million square feet, in 1960, to 35 million square feet, in 1975. Another 10 million square feet of office space is under construction and planned.

A downtown retail trade revival is underway, spurred by the growth in office workers, resident population, visitors, and the beginning of a return of suburban shoppers. Downtown's 6 million square feet of retail space includes 1 million square feet constructed since 1965, including new department stores, specialty shops, movie houses, and restaurants. The opening of new restaurants in the last few years has been extraordinary, and a notable increase in sales is confirmed by the State collection of meals taxes. Major retail development projects underway and planned will add an additional 1.5 million square feet of retail space over the next several years.

Boston's large medical complexes and institutions of higher education have \$600 million of new construction underway and planned.

New housing construction of some 28,000 dwelling units, the demolition of 25,000, and the rehabilitation of some 15,000, since 1960, - together equivalent to one-fourth of the total housing stock -, have substantially improved the quality of Boston's housing. Developers plans for future building add up to some 35,000 dwelling units, principally by the private sector.

FISCAL AND FINANCING

Fiscal prudence has been the hallmark of Boston City Government for more than a decade. Reforms under the Massachusetts Municipal Funding Act of 1957 require strict adherence to a balanced budget and constrain the use of short-term indebtedness. For the past two decades, municipal expenditures have represented a fairly constant level of about 5 percent of the production and income generated by the City's economy. An austerity program adopted three years ago has reduced the number of city government employees by almost 10 percent.

Through good fiscal management, Mayor Kevin H. White has been able to hold the City's property tax rate constant over the past four years. Stabilizing the tax rate was made possible by the use of Federal revenue sharing funds and the successful persuasion of the State government to absorb certain costs and to increase aid. The yield of the City's property tax, which accounts for 70 percent of total revenue, has risen moderately during the current national economic recession, as a consequence of the growth in taxable property.

Boston's municipal expenditure strategy centered on constraining the growth of current operating expenditures and favoring public capital improvements to foster the expansion of the City's economic base and the revitalization of neighborhoods.

The Neighborhood Improvement Program of 1975-76 involves planned expenditures of \$332 million for public capital improvements, urban redevelopment, housing rehabilitation, neighborhood business district revitalization, and neighborhood housing services, - funded in major part through State and Federal programs.

A ten-year public capital improvement program calls for planned outlays of \$1.3 billion to replace antiquated facilities as well as to build new ones.

A recent up-date of the estimates of the market value of taxable property presented to the financial community in 1973 and 1974, confirm a 1975 market value of \$5 billion, (including the value of tax-exempt property yielding "in lieu" payments under Massachusetts Law 121A). This represents a 40 percent growth over the \$3.6 billion total for the year 1966, implicit in the report of the U.S. Census of Government, 1967, TAXABLE PROPERTY VALUE, and an increase over the \$4.7 billion total for the year 1971, implicit in the report of the U.S. Census of Government, 1972, TAXABLE PROPERTY VALUES AND ASSESSMENT-SALES PRICE RATIOS. This, also, signified a more than doubling of the City's taxable property value since 1960 (measured in terms of current dollars). The estimate of the market value of taxable property is based on very specific information on the City's inventory of residential and non-residential structures and their market value. This estimate is corroborated by independent studies of assessment-sales ratios, as well as the increment in new private taxable construction since 1960, 1966, and 1971. In contrast, the assessed value of taxable property is much lower, and has risen less, for a variety of historical, institutional, economic, and fiscal reasons. About half the City's taxable property value is in residential structures and half in commercial and industrial structures.

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